

LANSING UNIFIED SCHOOL DISTRICT NO. 469

STATUTORY BASIS FINANCIAL STATEMENTS
For the year ended June 30, 2011

And

INDEPENDENT AUDITORS' REPORTS

Long CPA, PA
A Professional Association
Certified Public Accountants

LANSING UNIFIED SCHOOL DISTRICT # 469
TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report on Financial Statements	1-2
Statement 1	
Summary of Cash Receipts, Expenditures and Unencumbered Cash	3
Statement 2	
Summary of Expenditures - Actual and Budget	4
Statement 3	
Statement of Cash Receipts and Expenditures - Actual and Budget	
General Fund	5
Supplemental General Fund	6
Vocational Education Fund	7
Special Education Fund	8
Driver Training Fund	9
Food Service Fund	10
Capital Outlay Fund	11
Gifts and Grants Fund	12
Parent Education Fund	13
Professional Development Fund	14
KPERs Contribution Fund	15
At-Risk - K-12 Fund	16
Bilingual Education Fund	17
Bond And Interest Fund	18
Statement of Cash Receipts and Expenditures - Any Nonbudgeted Funds	19-21
Statement 4	
Statement of Cash Receipts and Cash Disbursements - Agency Funds	22-23
Statement 5	
Statement of Cash Receipts, Expenditures and Unencumbered Cash - District Activity Funds	24
Notes to Financial Statements	25-36

LANSING UNIFIED SCHOOL DISTRICT # 469
TABLE OF CONTENTS

	<u>Page</u>
Federal Program Reports and Schedules	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	37-38
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB A-133	39-40
Schedule 1	
Schedule of Expenditures of Federal Awards	41
Schedule 2	
Schedule of Findings and Questioned Costs	42
Notes to Schedule of Expenditures of Federal Awards	43-44

Long CPA, PA

James M. Long, CPA
Shareholder

901 Kentucky, Suite 104
Lawrence, KS 66044
jlongcpa@sunflower.com

785-312-9091
Fax 785-312-9249
785-766-7556

Board of Education
Unified School District No. 469
Lansing, Kansas 66043

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

We have audited the financial statements of the individual funds of Unified School District No. 469, Lansing, Kansas, as of and for the year ended June 30 2011, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the Kansas Municipal Audit Guide and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, Unified School District No. 469 has prepared these financial statements in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonable determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 469 as of June 30, 2011, or the changes in its financial position for the year then ended.

In our opinion the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the Unified School District No. 469, as of June 30, 2011, and its cash receipts and expenditures, budgetary comparisons, and changes in long-term debt and long-term debt maturities for the year then ended, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated August 17, 2011, on our consideration of Unified School District No. 469's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Unified School District No. 469's basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of findings and questioned costs are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of Unified School District No. 469. The schedule of expenditures of federal awards and schedule of findings and questioned costs have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Long CPA, PA". The signature is written in a cursive, flowing style.

Long CPA, PA
A Professional Association
Certified Public Accountants

August 17, 2011

USD #469 LANSING, KANSAS
Summary of Cash Receipts, Expenditures, and Unencumbered Cash
For the Year Ended June 30, 2011

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds							
General	\$ (1,423,055)	\$ 6,785	\$ 13,912,008	\$ 13,422,224	\$ (926,486)	\$ 25,752	\$ (900,734)
Supplemental General	(362,714)	90,139	4,833,269	4,430,306	130,388	835,459	965,847
Special Revenue Funds							
Vocational Education	13,422	95	187,836	173,374	27,979	33,056	61,035
Driver Education	2,394,409	4,275	2,899,917	2,922,580	2,376,021	2,736	2,378,757
Food Service	7,258	-	7,740	9,995	5,003	-	5,003
Capital Outlay	263,983	-	1,053,818	1,024,897	292,904	114,049	406,953
Gifts and Grants	3,304,042	-	645,627	1,877,914	2,071,755	1,059,772	3,131,527
Parent Education	15,216	-	-	-	15,216	-	15,216
Professional Development	817	-	73,575	70,656	3,736	4,570	8,306
KPERS Special Contribution	65,338	-	-	58,960	6,378	1,370	7,748
At Risk (K-12)	-	-	605,539	605,539	-	-	-
Bilingual	268,103	92	846,080	598,728	515,547	31,698	547,245
District Activity Funds	2,261	-	14,000	12,293	3,968	-	3,968
Textbook Rental Fund	57,975	-	793,208	796,810	54,373	-	54,373
Contingency Reserve Fund	172,417	-	411,131	462,625	120,923	343,837	464,760
Title I	1,419,767	-	-	-	1,419,767	-	1,419,767
Title IID	59,603	-	129,519	129,519	59,603	198	59,801
Title IV	-	-	438	438	-	-	-
Title IIA - Teacher Quality	-	-	-	-	-	-	-
New Decisions	-	-	53,716	50,921	2,795	1,750	4,545
Special Assessment	-	-	26,888	26,888	-	-	-
Debt Service Fund	48,154	-	81,876	80,093	49,937	-	49,937
Bond and Interest	2,231,329	-	2,136,360	2,325,010	2,042,679	-	2,042,679
Total Reporting Entity	\$ 8,538,325	\$ 101,386	\$ 28,712,545	\$ 29,079,770	\$ 8,273,486	\$ 2,454,247	\$ 10,726,733
Composition of Cash							
Checking Accounts							\$ 7,859,697
Savings Accounts							-
Certificates of Deposit							3,000,000
Total Cash							10,859,697
Agency Funds per Statement 4							132,964
Total Reporting Entity							\$ 10,726,733

The notes to the financial statements are an integral part of this statement.

USD #469 LANSING, KANSAS
Summary of Expenditures - Actual and Budget
For the Year Ended June 30, 2011

Funds	Certified Budget	Adjustments to Comply with Legal Max	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Favorable (Unfavorable)
Governmental Type Funds						
General Funds						
General	\$ 13,120,550	\$ (260,526)	\$ 41,148	\$ 13,422,224	\$ 13,422,224	\$ 0
Supplemental General	4,383,094	(47,212)	0	4,430,306	4,430,306	0
Special Revenue Funds						
Vocational Education	218,422	0	0	218,422	173,374	45,048
Special Education	5,191,864	0	0	5,191,864	2,922,580	2,269,284
Driver Training	28,179	0	0	28,179	9,995	18,184
Food Service	1,327,904	0	0	1,327,904	1,024,897	303,007
Capital Outlay	4,134,263	0	0	4,134,263	1,877,914	2,256,349
Gifts and Grants	15,216	0	0	15,216	0	15,216
Parent Education	82,817	0	0	82,817	70,656	12,161
Professional Development	115,338	0	0	115,338	58,960	56,378
KPERS Special Contribution	834,020	0	0	834,020	605,539	228,481
At-Risk Fund	1,067,939	0	0	1,067,939	598,728	469,211
Bilingual	14,261	0	0	14,261	12,293	1,968
Bond and Interest	2,325,110	0	0	2,325,110	2,325,010	100

The notes to the financial statements are an integral part of this statement.

USD #469 LANSING, KANSAS
GENERAL FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 2,035,741	\$ 1,946,240	\$ 89,501
Delinquent tax	53,191	51,512	1,679
Motor vehicle tax	773		773
RV tax			0
Mineral production tax	21	0	21
Federal grants	728,797	258,597	470,200
State aid/grants	11,052,337	11,385,253	(332,916)
Charges for services			0
Interest income			0
Miscellaneous revenues	41,148		41,148
Operating transfers			0
	<u>13,912,008</u>	<u>13,641,602</u>	<u>270,406</u>
EXPENDITURES			
Instruction	7,660,041	7,871,078	211,037
Student support services	549,935	501,420	(48,515)
Instruction support staff	506,985	376,800	(130,185)
General administration	397,581	384,650	(12,931)
School administration	893,387	875,600	(17,787)
Operations and maintenance	178,694	145,100	(33,594)
Student transportation services	545,452	575,000	29,548
Central support services			0
Other support services	52,838	53,540	702
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers	2,637,311	2,858,414	221,103
Adjustment to comply with legal max		(260,526)	(260,526)
Adjustment for qualifying budget credits		41,148	41,148
	<u>13,422,224</u>	<u>\$ 13,422,224</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	489,784		
Unencumbered Cash, Beginning	(1,423,055)		
Prior Year Cancelled Encumbrances	<u>6,785</u>		
Unencumbered Cash, Ending	\$ <u>(926,486)</u>		

See Note 11 (Cash Basis Exception)

See Note 12 (Statutory Presentation)

The notes to the financial statements are an integral part of this statement.

USD #469 LANSING, KANSAS
SUPPLEMENTAL GENERAL FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 1,909,486	\$ 2,062,552	\$ (153,066)
Delinquent tax	50,984	51,646	(662)
Motor vehicle tax	260,028	272,773	(12,745)
RV tax	4,487	4,840	(353)
Mineral production tax			0
Federal grants	0		0
State aid/grants	2,608,284	2,305,581	302,703
Charges for services			0
Interest income			0
Miscellaneous revenues	0		0
Operating transfers			0
	<u>4,833,269</u>	<u>4,697,392</u>	<u>135,877</u>
EXPENDITURES			
Instruction	439,449	307,050	(132,399)
Student support services	283,166	438,048	154,882
Instruction support staff	315,350	385,000	69,650
General administration	185,454	300,000	114,546
School administration	0		0
Operations and maintenance	1,626,891	1,667,420	40,529
Student transportation services	24,667		(24,667)
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers	1,555,329	1,380,000	(175,329)
Adjustment to comply with legal max		(47,212)	(47,212)
Adjustment for qualifying budget credits		0	0
	<u>4,430,306</u>	<u>\$ 4,430,306</u>	<u>\$ 0</u>
Total Expenditures			
	<u>4,430,306</u>	<u>\$ 4,430,306</u>	<u>\$ 0</u>
 Receipts Over (Under) Expenditures	 402,963		
Unencumbered Cash, Beginning	(362,714)		
Prior Year Cancelled Encumbrances	<u>90,139</u>		
 Unencumbered Cash, Ending	 <u>\$ 130,388</u>		

See Note 11 (Cash Basis Exception)

See Note 12 (Statutory Presentation)

The notes to the financial statements are an integral part of this statement.

USD #469 LANSING, KANSAS
 VOCATIONAL EDUCATION FUND
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues	12,836	5,000	7,836
Operating transfers	<u>175,000</u>	<u>200,000</u>	<u>(25,000)</u>
Total Cash Receipts	<u>187,836</u>	<u>205,000</u>	<u>(17,164)</u>
EXPENDITURES			
Instruction	173,374	218,422	45,048
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>173,374</u>	<u>\$ 218,422</u>	<u>\$ 45,048</u>
Receipts Over (Under) Expenditures	14,462		
Unencumbered Cash, Beginning	13,422		
Prior Year Cancelled Encumbrances	<u>95</u>		
Unencumbered Cash, Ending	<u>\$ 27,979</u>		

The notes to the financial statements are an integral part of this statement.

USD #469 LANSING, KANSAS
SPECIAL EDUCATION FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants	15,336	10,000	5,336
State aid/grants	269,437		269,437
Charges for services			0
Interest income			0
Miscellaneous revenues	6,150		6,150
Operating transfers	<u>2,608,994</u>	<u>2,787,455</u>	<u>(178,461)</u>
Total Cash Receipts	<u>2,899,917</u>	<u>2,797,455</u>	<u>102,462</u>
EXPENDITURES			
Instruction	2,574,145	4,100,354	1,526,209
Student support services	890		(890)
Instruction support staff			0
General administration			0
School administration	5,941	6,510	569
Operations and maintenance	4,264	770,000	765,736
Student transportation services	316,836	315,000	(1,836)
Central support services			0
Other support services	20,504		(20,504)
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>2,922,580</u>	<u>\$ 5,191,864</u>	<u>\$ 2,269,284</u>
Receipts Over (Under) Expenditures	(22,663)		
Unencumbered Cash, Beginning	2,394,409		
Prior Year Cancelled Encumbrances	<u>4,275</u>		
Unencumbered Cash, Ending	<u>\$ 2,376,021</u>		

The notes to the financial statements are an integral part of this statement.

USD #469 LANSING, KANSAS
 DRIVER TRAINING FUND
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants	4,514	7,000	(2,486)
Charges for services	3,226	14,000	(10,774)
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<u>7,740</u>	<u>21,000</u>	<u>(13,260)</u>
Total Cash Receipts			
	<u>7,740</u>	<u>21,000</u>	<u>(13,260)</u>
EXPENDITURES			
Instruction	9,065	26,679	17,614
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance	930	1,500	570
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>9,995</u>	<u>28,179</u>	<u>18,184</u>
Total Expenditures			
	<u>9,995</u>	<u>28,179</u>	<u>18,184</u>
 Receipts Over (Under) Expenditures	 (2,255)		
Unencumbered Cash, Beginning	7,258		
Prior Year Cancelled Encumbrances			
	<u>5,003</u>		
 Unencumbered Cash, Ending	 <u>\$ 5,003</u>		

The notes to the financial statements are an integral part of this statement.

USD #469 LANSING, KANSAS
 FOOD SERVICE FUND
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants	387,930	352,043	35,887
State aid/grants	13,127	10,111	3,016
Charges for services	648,254	701,767	(53,513)
Interest income			0
Miscellaneous revenues	4,507		4,507
Operating transfers			0
	<u>1,053,818</u>	<u>1,063,921</u>	<u>(10,103)</u>
Total Cash Receipts			
	<u>1,053,818</u>	<u>1,063,921</u>	<u>(10,103)</u>
EXPENDITURES			
Instruction			0
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance		82,904	82,904
Student transportation services			0
Central support services			0
Other support services			0
Food service operations	1,024,897	1,245,000	220,103
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>1,024,897</u>	<u>\$ 1,327,904</u>	<u>\$ 303,007</u>
Total Expenditures			
	<u>1,024,897</u>	<u>\$ 1,327,904</u>	<u>\$ 303,007</u>
 Receipts Over (Under) Expenditures	 28,921		
Unencumbered Cash, Beginning	263,983		
Prior Year Cancelled Encumbrances			
	<u>292,904</u>		
 Unencumbered Cash, Ending	 \$ 292,904		

The notes to the financial statements are an integral part of this statement.

USD #469 LANSING, KANSAS
CAPITAL OUTLAY FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 438,845	\$ 474,576	\$ (35,731)
Delinquent tax	9,386	12,627	(3,241)
Motor vehicle tax	53,249	83,213	(29,964)
RV tax	998	1,476	(478)
Mineral production tax			0
Federal grants	15,708	3,000	12,708
State aid/grants			0
Charges for services			0
Interest income	85,188	100,000	(14,812)
Miscellaneous revenues	42,253	75,000	(32,747)
Operating transfers		108,959	(108,959)
Total Cash Receipts	<u>645,627</u>	<u>858,851</u>	<u>(213,224)</u>
EXPENDITURES			
Instruction	1,590,298	500,000	(1,090,298)
Student support services	514	500,000	499,486
Instruction support staff		500,000	500,000
General administration	4,745	100,000	95,255
School administration	2,510	100,000	97,490
Operations and maintenance	37,752	500,000	462,248
Student transportation services			0
Central support services		100,000	100,000
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services	242,095	1,834,263	1,592,168
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>1,877,914</u>	<u>\$ 4,134,263</u>	<u>\$ 2,256,349</u>
Receipts Over (Under) Expenditures	(1,232,287)		
Unencumbered Cash, Beginning	3,304,042		
Prior Year Cancelled Encumbrances			
Unencumbered Cash, Ending	<u>\$ 2,071,755</u>		

The notes to the financial statements are an integral part of this statement.

USD #469 LANSING, KANSAS
GIFTS AND GRANTS FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<u>0</u>	<u>0</u>	<u>0</u>
Total Cash Receipts			
	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES			
Instruction		15,216	15,216
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>0</u>	<u>15,216</u>	<u>15,216</u>
Total Expenditures			
	<u>0</u>	<u>\$ 15,216</u>	<u>\$ 15,216</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	15,216		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 15,216</u>		

The notes to the financial statements are an integral part of this statement.

USD #469 LANSING, KANSAS
PARENT EDUCATION FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants	1,158	7,000	(5,842)
State aid/grants	29,916	40,000	(10,084)
Charges for services			0
Interest income			0
Miscellaneous revenues	12,172	5,000	7,172
Operating transfers	<u>30,329</u>	<u>30,000</u>	<u>329</u>
Total Cash Receipts	<u>73,575</u>	<u>82,000</u>	<u>(8,425)</u>
EXPENDITURES			
Instruction			0
Student support services	70,656	82,817	12,161
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			<u>0</u>
Total Expenditures	<u>70,656</u>	<u>\$ 82,817</u>	<u>\$ 12,161</u>
Receipts Over (Under) Expenditures	2,919		
Unencumbered Cash, Beginning	817		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 3,736</u>		

The notes to the financial statements are an integral part of this statement.

USD #469 LANSING, KANSAS
PROFESSIONAL DEVELOPMENT FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers		50,000	(50,000)
	<u>0</u>	<u>50,000</u>	<u>(50,000)</u>
Total Cash Receipts			
EXPENDITURES			
Instruction			0
Student support services			0
Instruction support staff	58,960	115,338	56,378
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>58,960</u>	<u>\$ 115,338</u>	<u>\$ 56,378</u>
Total Expenditures			
Receipts Over (Under) Expenditures	(58,960)		
Unencumbered Cash, Beginning	65,338		
Prior Year Cancelled Encumbrances			
	<u>\$ 6,378</u>		
Unencumbered Cash, Ending			

The notes to the financial statements are an integral part of this statement.

USD #469 LANSING, KANSAS
 KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants	605,539	834,020	(228,481)
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<u> </u>	<u> </u>	<u> </u>
Total Cash Receipts	<u>605,539</u>	<u>834,020</u>	<u>(228,481)</u>
EXPENDITURES			
Instruction	605,539	539,020	(66,519)
Student support services		50,000	50,000
Instruction support staff		50,000	50,000
General administration		20,000	20,000
School administration		100,000	100,000
Operations and maintenance		25,000	25,000
Student transportation services			0
Central support services			0
Other support services		5,000	5,000
Food service operations		45,000	45,000
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	<u>605,539</u>	<u>\$ 834,020</u>	<u>\$ 228,481</u>
 Receipts Over (Under) Expenditures	 0		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	<u>0</u>		
 Unencumbered Cash, Ending	 \$ <u>0</u>		

Note - Pass through fund for KPERS payments not subject to the budget law.

The notes to financial statements are an integral part of this statement.

USD #469 LANSING, KANSAS
 AT RISK FUND (K-12)
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues	1,200		1,200
Operating transfers	<u>844,880</u>	<u>800,000</u>	<u>44,880</u>
Total Cash Receipts	<u>846,080</u>	<u>800,000</u>	<u>46,080</u>
EXPENDITURES			
Instruction	577,728	1,006,454	428,726
Student support services			0
Instruction support staff	15,650	56,075	40,425
General administration			0
School administration	5,134	5,410	0
Operations and maintenance			0
Student transportation services	216		0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			<u>0</u>
Total Expenditures	<u>598,728</u>	<u>\$ 1,067,939</u>	<u>\$ 469,151</u>
Receipts Over (Under) Expenditures	247,352		
Unencumbered Cash, Beginning	268,103		
Prior Year Cancelled Encumbrances	<u>92</u>		
Unencumbered Cash, Ending	<u>\$ 515,547</u>		

The notes to financial statements are an integral part of this statement.

USD #469 LANSING, KANSAS
BILINGUAL EDUCATION FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers	<u>14,000</u>	<u>12,000</u>	<u>2,000</u>
Total Cash Receipts	<u>14,000</u>	<u>12,000</u>	<u>2,000</u>
EXPENDITURES			
Instruction	12,293	14,261	1,968
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Community support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>12,293</u>	<u>\$ 14,261</u>	<u>\$ 1,968</u>
Receipts Over (Under) Expenditures	1,707		
Unencumbered Cash, Beginning	2,261		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 3,968</u>		

The notes to the financial statements are an integral part of this statement.

USD #469 LANSING, KANSAS
BOND AND INTEREST FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 1,064,727	\$ 1,016,287	\$ 48,440
Delinquent tax	28,056	25,752	2,304
Motor vehicle tax	145,762	152,425	(6,663)
RV tax	2,704	2,705	(1)
Mineral production tax			0
Federal grants			0
State aid/grants	895,111	895,111	0
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<u>2,136,360</u>	<u>2,092,280</u>	<u>44,080</u>
Total Cash Receipts			
	<u>2,136,360</u>	<u>2,092,280</u>	<u>44,080</u>
EXPENDITURES			
Instruction			0
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Community support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service	2,325,010	2,325,110	100
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>2,325,010</u>	<u>2,325,110</u>	<u>100</u>
Total Expenditures			
	<u>2,325,010</u>	<u>\$ 2,325,110</u>	<u>\$ 100</u>
 Receipts Over (Under) Expenditures	 (188,650)		
Unencumbered Cash, Beginning	2,231,329		
Prior Year Cancelled Encumbrances	<u>0</u>		
 Unencumbered Cash, Ending	 <u>\$ 2,042,679</u>		

The notes to the financial statements are an integral part of this statement.

USD #469 LANSING, KANSAS
 ANY NONBUDGETED FUNDS
 Statement of Cash Receipts and Expenditures
 For the Year Ended June 30, 2011

	<u>Textbook</u>	<u>Contingency Reserve</u>	<u>Title I</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$
Delinquent tax			
Motor vehicle tax			
RV tax			
Mineral production tax			
Federal grants			129,519
State aid/grants			
Charges for services	161,131		
Interest income			
Miscellaneous revenues			
Operating transfers	<u>250,000</u>		
Total Cash Receipts	<u>411,131</u>	<u>0</u>	<u>129,519</u>
EXPENDITURES			
Instruction	462,071		116,593
Student support services			
Instruction support staff			12,926
General administration	554		
School administration			
Operations and maintenance			
Student transportation services			
Central support services			
Other support services			
Food service operations			
Student activities			
Facility acquisition and construction services			
Debt service			
Operating transfers			
Adjustment for qualifying budget credits			
Total Expenditures	<u>462,625</u>	<u>0</u>	<u>129,519</u>
Receipts Over (Under) Expenditures	(51,494)	0	0
Unencumbered Cash, Beginning	172,417	1,419,767	59,603
Prior Year Cancelled Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	\$ <u>120,923</u>	\$ <u>1,419,767</u>	\$ <u>59,603</u>

The notes to the financial statements are an integral part of this statement.

USD #469 LANSING, KANSAS
 ANY NONBUDGETED FUNDS
 Statement of Cash Receipts and Expenditures
 For the Year Ended June 30, 2011

	<u>Title IID</u>	<u>Title IV</u>	<u>Title IIA</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$
Delinquent tax			
Motor vehicle tax			
RV tax			
Mineral production tax			
Federal grants	438		53,716
State aid/grants			
Charges for services			
Interest income			
Miscellaneous revenues			
Operating transfers			
	<u>438</u>	<u>0</u>	<u>53,716</u>
EXPENDITURES			
Instruction	217		49,171
Student support services			
Instruction support staff	221		1,750
General administration			
School administration			
Operations and maintenance			
Student transportation services			
Central support services			
Other support services			
Food service operations			
Student activities			
Facility acquisition and construction services			
Debt service			
Operating transfers			
Adjustment for qualifying budget credits			
	<u>438</u>	<u>0</u>	<u>50,921</u>
Receipts Over (Under) Expenditures	0	0	2,795
Unencumbered Cash, Beginning	0	0	0
Prior Year Cancelled Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	\$ <u>0</u>	\$ <u>0</u>	\$ <u>2,795</u>

The notes to the financial statements are an integral part of this statement.

USD #469 LANSING, KANSAS
 ANY NONBUDGETED FUNDS
 Statement of Cash Receipts and Expenditures
 For the Year Ended June 30, 2011

	<u>New Decisions</u>	<u>Special Assessment</u>
CASH RECEIPTS		
Taxes and Shared Revenue		
Ad valorem property tax	\$	\$ 65,500
Delinquent tax		2,875
Motor vehicle tax		13,255
RV tax		246
Mineral production tax		
Federal grants		
State aid/grants		
Charges for services		
Interest income		
Miscellaneous revenues	26,888	
Operating transfers		
	<u>26,888</u>	<u>81,876</u>
Total Cash Receipts		
	<u>26,888</u>	<u>81,876</u>
EXPENDITURES		
Instruction	26,888	80,093
Student support services		
Instruction support staff		
General administration		
School administration		
Operations and maintenance		
Student transportation services		
Central support services		
Other support services		
Food service operations		
Student activities		
Facility acquisition and construction services		
Debt service		
Operating transfers		
Adjustment for qualifying budget credits		
	<u>26,888</u>	<u>80,093</u>
Total Expenditures		
	<u>26,888</u>	<u>80,093</u>
Receipts Over (Under) Expenditures	0	1,783
Unencumbered Cash, Beginning	0	48,154
Prior Year Cancelled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	\$ <u>0</u>	\$ <u>49,937</u>

The notes to the financial statements are an integral part of this statement.

USD #469 LANSING, KANSAS
 AGENCY FUNDS
 Statement of Cash Receipts and Cash Disbursements
 For the Year Ended June 30, 2011

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student activity funds:				
Lansing High School				
National Art Honor Society	\$ 1,209	\$ 34	\$ 90	\$ 1,153
Baseball club	6,114	11,339	11,557	5,896
Band club	2,811	83,731	84,667	1,875
Boosters - Band	3,544	13,461	9,882	7,123
Boosters - Boys soccer	2,649	5,318	3,463	4,504
Boosters - Girls soccer	3,099	7,053	5,599	4,553
Bowling club	9	20	22	7
Cheerleaders	1,887	23,371	20,096	5,162
Choir	7,123	8,900	8,466	7,557
DECA	4,356	15,060	18,043	1,373
Art	498	356	650	204
Drama	5,113	2,203	3,000	4,316
Track	1,481	10,501	9,788	2,194
Football	3,028	12,711	13,098	2,641
FBLA	2,432			2,432
Lady Lion basketball	1,293	2,524	4,143	(326)
Leadership club	2,034	10,485	10,630	1,889
National forensics club	104	475	729	(150)
National honor society	200	510	398	312
Kay	2,150	837	895	2,092
In House training	1,072	2,316	411	2,977
Kayettes	1,379	7,383	7,324	1,438
Ski club	62			62
L club	1,567	8,595	8,673	1,489
Leadership social club	2,903			2,903
Wrestling	2,469	4,993	4,723	2,739
Volleyball club	3,837	8,307	8,984	3,160
Lionettes	3,298	15,367	16,627	2,038
Literary Lions club	46			46
Math club	319	1,410	1,044	685
Music theatre club	2,348	8,338	6,299	4,387
Softball	3,219	6,523	6,048	3,694
Swim club - Boys	376	735	650	461
Swim club - Girls	53	2,750	2,520	283
French club	204	735	718	221
Class of 2010	1,086	325	1,411	-
Class of 2011	2,336	250	434	2,152
Class of 2012	2,480	4,066	4,571	1,975
Class of 2013	175	3,699	765	3,109
Class of 2014	-	405	250	155
Pen paw club	632	1,472	1,978	126
Science club	1,352	362	12	1,702
Video production	6,232	654	165	6,721
Tri-M music honor society	334			334
Subtotal Lansing High School	<u>88,913</u>	<u>287,574</u>	<u>278,823</u>	<u>97,664</u>

The notes to the financial statements are an integral part of this statement.

USD #469 LANSING, KANSAS
 AGENCY FUNDS
 Statement of Cash Receipts and Cash Disbursements
 For the Year Ended June 30, 2011

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Student activity funds:				
Lansing Middle School				
Donations	360			360
Drama	590	1,786	1,364	1,012
Just say no	2,581	1,434	3,036	979
Math club	136	218		354
STUCO	1,248	12,200	10,516	2,932
8th grade celebratin	2,331	4,008	5,164	1,175
Fundraising	7,558	74,067	68,455	13,170
Pep club	4,648	16,209	16,316	4,541
Science club	463	1,539	1,315	687
Subtotal Lansing Middle School	<u>19,915</u>	<u>111,461</u>	<u>106,166</u>	<u>25,210</u>
Lansing Intermediate School				
STUCO	9,029	2,460	2,073	9,416
Lansingers	1,006	601	933	674
Subtotal Lansing Intermediate Schoo	<u>10,035</u>	<u>3,061</u>	<u>3,006</u>	<u>10,090</u>
District agency funds	<u>(6)</u>	<u>6</u>		<u>-</u>
Total agency funds	<u>\$ 118,857</u>	<u>\$ 402,102</u>	<u>\$ 387,995</u>	<u>\$ 132,964</u>

The notes to the financial statements are an integral part of this statement

USD #469 LANSING, KANSAS
DISTRICT ACTIVITY FUNDS
Statement of Cash Receipts, Expenditures, and Unencumbered Cash
For the Year Ended June 30, 2011

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts							
High School activity fund							
Athletics	\$ 10,326		\$ 105,439	\$ 102,931	\$ 12,834		\$ 12,834
District activity	16,414		297,409	298,794	15,029		15,029
Total High School activity fund	26,740	0	402,848	401,725	27,863	0	27,863
Middle School activity fund							
Athletics	9,109		27,782	24,584	12,307		12,307
District activity	1,302		146,415	145,518	2,199		2,199
Total Middle School activity fund	10,411	0	174,197	170,102	14,506	0	14,506
Subtotal Gate Receipts	37,151	0	577,045	571,827	42,369	0	42,369
School Projects							
Lansing High School							
Yearbook	3,191		22,882	23,988	2,085		2,085
Technology	-		3,004	3,004	-		-
Library	497		24		521		521
Student Activities	459		3,451	2,867	1,043		1,043
Special Projects	207		560	767	-		-
Nwespaper	-		598		598		598
Payment plan	2,169				2,169		2,169
Lansing Middle School							
Yearbook	2,045		11,268	12,916	397		397
Library	634		2,036	2,654	16		16
Student Activities	285				285		285
Payment plan	2,460		9,791	12,251	-		-
Lansing Intermediate School							
Interest	1,625		140,729	141,274	1,080		1,080
Lansing Elementary School							
Library	723		296	507	512		512
Field trips	2,315		20,613	20,447	2,481		2,481
Recycling	855		911	967	799		799
Donations	-				-		-
School supply packs	3,341			3,341	-		-
Yearbook	18				18		18
Subtotal School Projects	20,824	-	216,163	224,983	12,004	-	12,004
Total District Activity Funds	\$ 57,975	\$ 0	\$ 793,208	\$ 796,810	\$ 54,373	\$ 0	\$ 54,373

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 469
Lansing, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies

Financial Reporting Entity

USD No.469 is a municipal corporation governed by an elected seven member board. The district as an entity has been defined to include, on a combined basis, (a) USD No.469 (b) organizations for which USD No. 469 is financially accountable, and (c) other organizations for which the nature and significance of their relationship with USD No.469 are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. There are currently no organizations which meet the foregoing criteria for being combined in the District's report.

Fund Descriptions

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the District for the year 2011:

Governmental Funds

General Fund – To account for the resources except those required to be accounted for in another fund.

Special Revenue Funds – To account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by law or administrative action to be expended for specified purposes.

Debt Service Funds – To account for the accumulation of resources for and the payments of, interest and principal and related costs, on general long-term debt.

UNIFIED SCHOOL DISTRICT NO. 469
Lansing, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Fiduciary Funds

Agency Funds – To account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the statutory basis of accounting.

Departure from Generally Accepted Accounting Principles (GAAP)

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursement, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenues and matured principle and interest payable, and reservations of fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with United States generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as

UNIFIED SCHOOL DISTRICT NO. 469
Lansing, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

Reimbursed Expenses

Expenditures in the amount of \$ 41,148 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payment for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Budgetary Information

Kansas Statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

UNIFIED SCHOOL DISTRICT NO. 469
Lansing, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenues other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget and must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments during the year 2011.

The statutes permit transferring budgeted amounts between accounts within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the city for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital projects funds and trust funds and the following special revenue funds:

Title IID Fund	Title IIA Fund
Title IV Fund	New Decisions
Contingency Reserve Fund	District Activity Funds
Title I Fund	Special Assessment
Textbook Rental Fund	

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

UNIFIED SCHOOL DISTRICT NO. 469
Lansing, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as expenditures.

Use of Estimates

The process of preparing financial statements requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTE 2 – Deposits and Investments

Deposits

K.S.A. 9-1401 establishes the depositories which may be used by the district. The statute requires banks eligible to hold the district's funds have a main or branch bank in the county in which the district is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The district has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the district's investments of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The district has no investment policy that would further limit its investment choices. The district had no investments during 2011.

Concentration of Credit Risk

State statutes place no limit on the amount the district may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405.

UNIFIED SCHOOL DISTRICT NO. 469
Lansing, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – Deposits and Investments (continued)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the district's deposits may not be returned to it. State statutes require the district's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2011.

At June 30, 2011, the government's carrying amount of deposits was \$ 10,726,733 and the bank balance was \$ 10,786,833. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$ 519,477 was covered by federal depository insurance and the balance was collateralized with securities held by the pledging financial institutions' agents in the district's name.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE 3 – Defined Benefit Pension Plan

Plan Description – USD No. 469 participates in the Kansas Public Employees Retirement System (KPERS), a cost sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas; Topeka, KS 66603) or by calling 1-888-275-5737.

UNIFIED SCHOOL DISTRICT NO. 469
Lansing, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – Defined Benefit Pension Plan (continued)

Funding Policy – K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414 (h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 9.17% of covered payroll. The State of Kansas contribution to KPERS for all school municipalities for the year ending June 30, 2011 received as of June 30 was \$188,864,352. Remaining balance due from the state of \$64,969,692 was received by July 12, 2011.

NOTE 4 – Risk Management

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the county carries commercial insurance. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years.

NOTE 5 – Compliance with Kansas Statutes

We noted no violations of Kansas Statutes during the period under examination.

NOTE 6 – Compensated Absences

Vacation Leave: Full-time, 12 month classified employees are entitled to 10 days annual vacation leave per year. During the sixth year of employment through the tenth year of employment, the employee earns one additional vacation day per year for each year after five years or a maximum of 15 days per year. Teachers' vacations are regulated by their contracts.

Sick Leave: Classified employees are allowed to accumulate a maximum of six times their yearly allowance. Upon leaving employment, except when terminated, the employee is paid for up to 10 days of unused sick leave that has accumulated above the maximum amount to be carried forward. This is paid at 20% of the substitute daily rate. If no substitute rate is available, the employee is paid at 20% of their daily rate. Classified employees earn sick leave at different rates depending on their position. All teachers receive leave

UNIFIED SCHOOL DISTRICT NO. 469
Lansing, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – Compensated Absences (continued)

of 12 days at the beginning of each contract year. Additional days are granted based on the years of service in the District. Days not used may accumulate up to 95 days; however, no more than 80 days may be carried forward from the preceding year. Any liability for absences is considered immaterial by management.

NOTE 7 – Interfund Transactions

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Special Education Fund	K.S.A 72-6428	\$ 1,778,431
General Fund	At Risk (K-12) Fund	K.S.A 72-6428	844,880
General Fund	Bilingual Education Fund	K.S.A 72-6428	14,000
Supplemental General Fund	Vocational Education Fund	K.S.A 72-6425	17,500
Supplemental General Fund	Special Education Fund	K.S.A 72-6425	1,150,000
Supplemental General Fund	Parent Education Fund	K.S.A 72-6425	30,329
Supplemental General Fund	Textbook Rental Fund	K.S.A 72-6425	250,000

NOTE 8 – Other Post Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these statements. Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

UNIFIED SCHOOL DISTRICT NO. 469
Lansing, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District at June 30, 2010.

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There has been no significant change in insurance coverage from the previous fiscal year and settlements have not exceeded coverage in the past three years.

NOTE 10 – Subsequent Events

Subsequent events for management's review have been evaluated through August 17, 2011. The date in the prior sentence is the date the financial statements were available to be issued

NOTE 11 – Cash Basis Exception

The State of Kansas statutes exempt all funds from a cash basis violation if the violation was as result of delayed payment by the state.

NOTE 12 – Compliance with K.S.A. 72-6417 (d) and K.S.A. 72-6434 (d)

K.S.A. 72-6417 (d) and K.S.A. 72-6434 (d) requires the school district to record any payment of general state aid that is due to be paid during the month of June and is paid to the school district after June 30, as a receipt for the school year ending on June 30. The following shows the revenue as required by the Statutes:

Note 12

USD #469 LANSING, KANSAS
GENERAL FUND
STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 2,035,741	\$ 1,946,240	\$ 89,501
Delinquent tax	53,191	51,512	1,679
Motor vehicle tax	773		773
RV tax			0
Mineral production tax	21		21
Federal grants	728,797	258,597	470,200
State aid/grants	10,555,768	11,385,253	(829,485)
Charges for services			0
Interest income			0
Miscellaneous revenues	41,148		41,148
Operating transfers			0
	<u>13,415,439</u>	<u>13,641,602</u>	<u>(226,163)</u>
EXPENDITURES			
Instruction	7,660,041	7,871,078	211,037
Student support services	549,935	501,420	(48,515)
Instruction support staff	506,985	376,800	(130,185)
General administration	397,581	384,650	(12,931)
School administration	893,387	875,600	(17,787)
Operations and maintenance	178,694	145,100	(33,594)
Student transportation services	545,452	575,000	29,548
Central support services			0
Other support services	52,838	53,540	702
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers	2,637,311	2,858,414	221,103
Adjustment to comply with legal max		(260,526)	(260,526)
Adjustment for qualifying budget credits		41,148	41,148
	<u>13,422,224</u>	<u>\$ 13,422,224</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures			
	(6,785)		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	<u>6,785</u>		
Unencumbered Cash, Ending			
	<u>\$ 0</u>		

Note 12

USD #469 LANSING, KANSAS
SUPPLEMENTAL GENERAL FUND
STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 1,909,486	\$ 2,062,552	\$ (153,066)
Delinquent tax	50,984	51,646	(662)
Motor vehicle tax	260,028	272,773	(12,745)
RV tax	4,487	4,840	(353)
Mineral production tax			0
Federal grants			0
State aid/grants	2,273,832	2,305,581	(31,749)
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<u>4,498,817</u>	<u>4,697,392</u>	<u>(198,575)</u>
Total Cash Receipts			
	<u>4,498,817</u>	<u>4,697,392</u>	<u>(198,575)</u>
EXPENDITURES			
Instruction	439,449	307,050	(132,399)
Student support services	283,166	438,048	154,882
Instruction support staff	315,350	385,000	69,650
General administration	185,454	300,000	114,546
School administration			0
Operations and maintenance	1,626,891	1,667,420	40,529
Student transportation services	24,667		(24,667)
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers	1,555,329	1,380,000	(175,329)
Adjustment to comply with legal max		(47,212)	(47,212)
Adjustment for qualifying budget credits			0
	<u>4,430,306</u>	<u>\$ 4,430,306</u>	<u>\$ 0</u>
Total Expenditures			
	<u>4,430,306</u>	<u>\$ 4,430,306</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	68,511		
Unencumbered Cash, Beginning	103,789		
Prior Year Cancelled Encumbrances	<u>90,139</u>		
Unencumbered Cash, Ending	<u>\$ 262,439</u>		

USD #469 LANSING, KANSAS
Lansing, Kansas

NOTES TO FINANCIAL STATEMENTS

Note 13 - Long Term Debt

Changes in long-term liabilities for the District for the year ended June 30, 2011 were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds										
Series 2005A	3.75-5.00%	5/1/05	\$ 23,600,000	9/1/26	\$ 23,600,000	\$ -	\$ -	\$ -	\$ 23,600,000	\$ 743,863
Series 2005B	4.85%	5/1/05	295,000	9/1/13	295,000	-	45,000	(45,000)	250,000	13,216
Series 2006	4.00-4.45%	8/1/06	795,000	9/1/16	590,000	-	75,000	(75,000)	515,000	23,604
Series 2007A	4.00-4.25%	3/1/07	8,455,000	9/1/26	8,405,000	-	30,000	(30,000)	8,375,000	345,931
Series 2007B	4.00%	6/1/07	6,340,000	9/1/13	4,420,000	-	990,000	(990,000)	3,430,000	157,000
Leases										
Energy lease	4.00-5.10%	11/1/02	800,000	12/1/17	485,000	-	50,000	(50,000)	435,000	22,568
Total Long Term Debt					<u>\$ 37,795,000</u>	<u>\$ -</u>	<u>\$ 1,190,000</u>	<u>\$ (1,190,000)</u>	<u>\$ 36,605,000</u>	<u>\$ 1,306,182</u>
Less: Balance in escrow on Series 2005A general obligation refunding bonds										
									<u>7,815,000</u>	
										<u>\$ 28,790,000</u>
Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:										
	2012	2013	2014	2015	2016	2017-2021	2022-2026	2027	Total	
Principal										
General Obligation Bonds										
Series 2005A	\$ -	\$ -	\$ 120,000	\$ 1,000,000	\$ 1,100,000	\$ 7,385,000	\$ 6,180,000	\$ -	\$ 15,785,000	
Series 2005B	90,000	110,000	50,000	-	-	-	-	-	250,000	
Series 2006	75,000	80,000	85,000	90,000	90,000	95,000	-	-	515,000	
Series 2007A	30,000	30,000	30,000	30,000	35,000	190,000	5,210,000	2,820,000	8,375,000	
Series 2007B	1,065,000	1,145,000	1,220,000	-	-	-	-	-	3,430,000	
Capital leases:									-	
Energy lease	55,000	55,000	60,000	60,000	65,000	140,000	-	-	435,000	
Total Principal	<u>1,315,000</u>	<u>1,420,000</u>	<u>1,565,000</u>	<u>1,180,000</u>	<u>1,290,000</u>	<u>7,810,000</u>	<u>11,390,000</u>	<u>2,820,000</u>	<u>28,790,000</u>	
Interest										
General Obligation Bonds										
Series 2005A	743,863	743,863	741,613	715,113	664,738	2,395,306	455,762	-	6,004,496	
Series 2005B	9,942	5,092	1,212	-	-	-	-	-	16,246	
Series 2006	20,501	17,285	13,819	10,078	6,184	2,114	-	-	69,981	
Series 2007A	344,731	343,531	342,331	341,131	339,831	1,677,256	1,437,616	59,925	3,388,811	
Series 2007B	115,900	71,700	24,400	-	-	-	-	-	212,000	
Capital leases:									-	
Energy lease	20,074	17,461	14,730	11,880	8,797	7,140	-	-	80,082	
Total Interest	<u>1,255,011</u>	<u>1,198,932</u>	<u>1,138,105</u>	<u>1,078,202</u>	<u>1,019,550</u>	<u>4,081,816</u>	<u>1,893,378</u>	<u>59,925</u>	<u>9,771,616</u>	
Total Principal and Interest	<u>\$ 2,570,011</u>	<u>\$ 2,618,932</u>	<u>\$ 2,703,105</u>	<u>\$ 2,258,202</u>	<u>\$ 2,309,550</u>	<u>\$ 11,891,816</u>	<u>\$ 13,283,378</u>	<u>\$ 2,879,925</u>	<u>\$ 38,561,616</u>	

Long CPA, PA

James M. Long, CPA

Shareholder

901 Kentucky, Suite 104
Lawrence, KS 66044
jlongcpa@sunflower.com

785-312-9091
Fax 785-312-9249
785-766-7556

Board of Education
Unified School District No. 469
Lansing, Kansas 66043

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL COMPLIANCE REPORTING AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited the financial statements of Unified School District No. 469, Lansing, Kansas as of and for the year ended June 30, 2011, and have issued our report thereon dated August 17, 2011. In our report, our opinion was qualified due to the use of another comprehensive basis of accounting. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Unified School District No. 469's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Unified School District No. 469's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Board of Education
Unified School District No. 469
Lansing, Kansas 66043

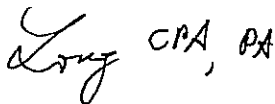
Internal Control Over Compliance

The management of Unified School District No. 469 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Unified School District No. 469's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Long CPA, PA
A Professional Association
Certified Public Accountants

August 17, 2011

Long CPA, PA

James M. Long, CPA
Shareholder

901 Kentucky, Suite 104
Lawrence, KS 66044
jlongcpa@sunflower.com

785-312-9091
Fax 785-312-9249
785-766-7556

Board of Education
Unified School District No. 469
Lansing, Kansas 66043

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Compliance

We have audited the compliance of Unified School District No. 469 Lansing, Kansas with the types of compliance requirements described in the U.S. Office Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2011. Unified School District No. 469's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Unified School District No. 469's management. Our responsibility is to express an opinion on Unified School District No. 469's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Unified School District No. 469's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Unified School District No. 469's compliance with those requirements.

In our opinion, Unified School District No. 469 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

Board of Education
Unified School District No. 469
Lansing, Kansas 66043

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 469's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the audit committee, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Long CPA, PA".

Long CPA, PA
A Professional Association
Certified Public Accountants

August 17, 2011

UNIFIED SCHOOL DISTRICT NO. 469
Lansing, Kansas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2011

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass- Through Grantor Number	Federal Expenditures
<hr/> U.S. Department of Education <hr/>			
Passed through State Department of Education:			
Title I	84.010	*	\$ 129,519
Tech Literacy	84.318	*	438
Title II - Teacher Quality	84.367	*	53,716
Stabilization - ARRA	84.394	*	251,597
Education Jobs Fund	84.410	*	440,546
<hr/> U.S. Department of Agriculture <hr/>			
Passed through State Department of Education:			
School Breakfast	10.553	*	55,545
National School Lunch Program	10.555	*	332,384
<hr/> Other Federal Assistance <hr/>			
Direct Programs:			
P.L. 103-372, Impact Aid	103.372	*	<u>51,990</u>
Total Federal Assistance			<u><u>\$ 1,315,735</u></u>

* Not available

LANSING UNIFIED SCHOOL DISTRICT #469
Lansing, Kansas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2011

A. Summary of Audit Results

1. The auditors' report expresses a qualified opinion on the general purpose financial statements of Lansing USD #469.
2. No reportable conditions relating to the audit of the general purpose financial statements are reported in the Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on a Audit of Financial Statements Performed in accordance with Government Auditing Standards.
3. No instances of noncompliance material to the general purpose financial statements of Lansing USD #469 were disclosed during the audit.
4. The auditors' report on compliance for the major federal award programs for Lansing USD #469 expresses an unqualified opinion on all major federal programs.
5. Audit findings relative to the major federal award programs for Lansing USD #469 are reported in this schedule.
6. The programs tested as major programs included:
Department of Education
Education Jobs Fund CFDA 84.410, Stabilization – ARRA CFDA No. 84.394
7. Lansing USD #469 was determined to not be a low-risk auditee.
8. The threshold for distinguishing types A and B programs was \$300,000.

B. Findings – Financial Statement Audit
None

C. Findings and Questioned Costs – Major Federal Awards Programs Audit
Department of Education
Education Jobs Fund CFDA 84.410 Stabilization – ARRA CFDA No. 84.394

No findings of noncompliance or questioned costs were noted.

The accompanying notes to financial statements are an integral part of this statement

LANSING UNIFIED SCHOOL DISTRICT NO. 469
Lansing, Kansas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2011

NOTE 1 – Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Unified School District No. 469 Lansing, Kansas and is presented on the statutory basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Statutory Basis of Accounting – The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

Unified School District No. 469 has obtained a waiver from generally accepted accounting principles which allows the district to revert to statutory basis of accounting.

Departure from Generally Accepted Accounting Principles – The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and mature principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles.

LANSING UNIFIED SCHOOL DISTRICT NO. 469
Lansing, Kansas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2011

NOTE 1 – Basis of Accounting (continued)

Departure from Generally Accepted Account Principles (ctd.) - General fixed assets that account for the land, buildings, and equipment owned by the district are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

NOTE 2 – Pass-Through Awards

Unified School District No. 469 receives certain federal awards in the form of pass-through awards from the State of Kansas. Such amounts received as pass-through awards are specifically identified on the Schedule of Expenditures of Federal Awards.

NOTE 3 – Major Programs

In accordance with OMB Circular A-133, major programs are determined using a risk-based approach. Education Jobs Fund has been determined by the independent auditor to be a major program.

NOTE 4 – Contingencies

The District receives funds under various federal grant programs and such awards are to be expended in accordance with provisions of the various grants. Compliance with the grants is subject to audit by various government agencies which may impose sanctions in the event of non-compliance. Managements believes that they have complied with all aspects of the various grant provisions and the results of adjustments, if any, relating to such audits would not have any material financial impact.